

PUBLIC SERVICE COMMISSION OF SOUTH CAROLINA
REPORT OF THE COMMISSION STAFF

DOCKET NO. 2000-0210-W/S

UNITED UTILITY COMPANIES, INC.

REPORT OF THE AUDIT DEPARTMENT
THE PUBLIC SERVICE COMMISSION OF SOUTH CAROLINA

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REPORT OF THE AUDIT DEPARTMENT
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UNITED UTILITY COMPANIES, INC.

SYNOPSIS

Amount Requested	-	Water -----	\$ 8,938
	-	Sewer -----	\$285,814
	-	Combined -----	\$294,752

<u>Return on Rate Base</u>	<u>Combined</u>	<u>Water</u>	<u>Sewer</u>
Per Books-----	(6.42%)	9.25%	(8.50%)
As Adjusted-----	(4.72%)	6.24%	(6.19%)
After Proposed Increase-----	13.22%	10.84%	13.54%

<u>Return on Common Equity</u>	<u>Combined</u>	<u>Water</u>	<u>Sewer</u>
As Adjusted-----	(18.11%)	3.85%	(21.06%)
After Proposed Increase-----	17.84%	13.06%	18.48%

<u>Operating Margin</u>	<u>Combined</u>	<u>Water</u>	<u>Sewer</u>
Per Books-----	(19.00%)	30.80%	(24.13%)
As Adjusted-----	(24.66%)	6.63%	(27.89%)
After Proposed Increase-----	13.60%	17.90%	13.29%

REPORT OF THE AUDIT DEPARTMENT
THE PUBLIC SERVICE COMMISSION OF SOUTH CAROLINA
DOCKET NO. 2000-0210-W/S
UNITED UTILITY COMPANIES, INC.

ANALYSIS

The Audit Department Staff has made a review of the Application of United Utility Companies, Inc. (hereinafter referred to as "the Company") along with certain of the Company's accounting records, relative to the Company's application to increase certain rates and charges as shown in Docket No. 2000-0210-W/S.

The Company is a water and wastewater utility operating in the state of South Carolina. The Company furnishes both water and sewer service to residential and commercial customers. Water service is rendered in the counties of Anderson, Greenville, Laurens, and Spartanburg. Sewer service is rendered in the counties of Anderson, Cherokee, Greenville, Greenwood, Spartanburg, and Union. The Company's home office is located at 2335 Sanders Road, Northbrook, Illinois 60062. Its regional office is located at 110 Queens Parkway, West Columbia, South Carolina 29169. The Company is a wholly-owned subsidiary of Utilities, Inc., which is also located at the same address in Northbrook, Illinois. On March 21, 2001, nv Nuon, a Dutch public company and Utilities, Inc. signed an agreement, under the terms of which Nuon will purchase all of the outstanding shares of Utilities, Inc. Utilities, Inc. will survive as a stand-alone entity. All stock of Utilities, Inc. will continue to be held by Utilities, Inc.

The Audit Department respectfully submits the results of its review as follows:

1. The Company filed an application on September 24, 2001 for approval of rates and charges for water and sewer services provided to its residential and commercial customers.
2. This matter is set for public hearing on Wednesday, February 6, 2002 at 10:30 a.m.
3. The Company's application uses a December 31, 2000 test period.
4. The following is a summary of the Company's most recent rates and charges:

Date of Order	Effective Date	Docket Number	Amount Requested	Amount Granted	Rate of Return on Rate Base	Operating Margin
07/16/90	10/16/90	89-602-W/S	\$196,112	\$157,684	-	(02.68)%
09/08/87	09/08/97	87-145-W/S	\$ 85,487	\$ 83,558	-	(01.47)%

In this application, the Company requested additional revenue of \$294,752. Staff calculated the requested revenue to be \$294,752.

The rate of return on rate base after accounting and pro forma adjustments was computed by the Staff to be (4.72)%. This rate increases to 13.22% after the proposed increase of \$294,752. The Company had requested a return on rate base of 9.92% after the effect of its proposed increase.

Rate of return on common equity was computed by the Staff to be (18.11)% after the effect of accounting and pro forma adjustments. Such rate of return increased to 17.84% after revenue was adjusted for the proposed increase of \$294,752. In computing the return on common equity, the Staff used the parent company's capital structure in order to allocate the rate base to the respective classes of capital.

The Audit Department Staff prepared the following exhibits that are related to the Company's proposed increase:

**EXHIBIT AC: OPERATING EXPERIENCE, RATE BASE, AND RATES OF RETURN-
COMBINED OPERATIONS**

Detailed in this Staff exhibit are the Company's Operating Experience, Rate Base, Rates of

Return and Operating Margin for the test year ended December 31, 2000; the accounting and pro forma adjustments which are necessary to correct or normalize the Company's test year operations; and the Company's normalized operations, both before and after the effect of the requested increase. Using a rate base of \$1,002,667 and per book net income for return of \$(64,352), the Staff computed a rate of return on per book operations of (6.42)% and an operating margin of (19.00)%. Pro forma adjustments increased income and decreased rate base resulting in operating income of \$(46,758) and rate base of \$990,150. The rate of return computed by the Staff after pro forma adjustments was (4.72)% and the operating margin was (24.66)%. After the Staff adjusted operating income for the proposed increase, \$177,678 net of taxes and other expenses, plus growth, operating income increased to \$130,920 while rate base remained \$990,150. The rate of return computed by the Staff after the adjustments for proposed increase is 13.22% with an operating margin of 13.60%

EXHIBIT AC: OPERATING EXPERIENCE, RATE BASE AND RATES OF RETURN- WATER OPERATIONS

Detailed in this Staff exhibit are the Operating Experience, Rate Base, Rate of Return and Operating Margin for Water Operations.

EXHIBIT AC: OPERATING EXPERIENCE, RATE BASE, AND RATES OF RETURN-SEWER OPERATIONS

Detailed in this Staff exhibit are the Operating Experience, Rate Base, Rate of Return and Operating Margin for Sewer Operations.

EXHIBIT A-1: EXPLANATION OF ACCOUNTING AND PRO FORMA ADJUSTMENTS-COMBINED, WATER AND SEWER

Detailed in this Staff exhibit are the accounting and pro forma adjustments to correct or normalize the Company's operations and each adjustment made necessary to reflect the proposed increase. For comparative purposes, Company and Staff adjustments are both presented in this exhibit.

EXHIBIT A-2: CUSTOMER GROWTH COMPUTATION

The Staff's computation of the Company's customer growth factor during the test year is shown in this exhibit. The Staff computed a growth factor of 0% for water operations and a growth factor of 0.72% for sewer operations. Combined customer growth was computed by adding water customer growth and sewer customer growth. Staff does not recognize negative growth. Customer growth was computed only after the proposed increase.

EXHIBIT A-3: CASH WORKING CAPITAL ALLOWANCE

Detailed in Staff's exhibit is the calculation of cash working capital on per book operations at December 31, 2000. The Staff utilized a forty-five day cash working capital allowance, which is consistent with past rate cases involving water and wastewater utilities. The allowance represents the amount of cash needed by the Company to operate efficiently and economically on a day to day basis. The forty-five days allowance is needed because the Company renders monthly service before it collects from the customer. Forty-five days are based on 30 days of rendering service plus an additional 15 days to read meters, prepare bills, bill customers and collect from customers.

EXHIBIT AC-4: RETURN ON COMMON EQUITY - COMBINED

The Company's return on common equity is computed both before and after the requested increase. The rate base, as shown on Exhibit AC, is allocated among the various classes of debt and equity according to the respective ratios as computed using the parent company's capital structure as of December 31, 2000.

Staff computed the amount of total income for return necessary to cover an embedded cost rate of 8.62% on long term debt. The remainder of total income for return produces a return of (18.11)% to common equity before the requested increase. The overall cost of capital after accounting and pro forma adjustments but before the requested increase is (4.72)%. Such overall cost equals the rate of return on rate base shown on Staff's Exhibit AC.

After the requested increase of \$294,752, income available to common equity increases to \$88,168 and return on common equity increases to 17.84%. Overall, cost of capital as detailed in this exhibit equal 13.22%. Such overall cost of capital equals the rate of return on rate base on Staff's Exhibit AC.

EXHIBIT AW-4: RETURN ON COMMON EQUITY - WATER

Included in this exhibit is Return on Common Equity as allocated to the Company's water operations.

EXHIBIT AS-4: RETURN ON COMMON EQUITY - SEWER

Included in this exhibit is Return on Common Equity as allocated to the Company's sewer operations.

EXHIBIT A-5: REVENUE REQUIREMENTS

Included in this exhibit are the requirement for revenues using Staff's adjustments presented on Exhibit AC and the ranges of return on equity presented by the Staff's and Company's cost of capital witnesses.

EXHIBIT A-6: INCOME STATEMENT

Staff, in this exhibit, presents the Company's Income Statement as of the test year ended December 31, 2000.

EXHIBIT A-7: BALANCE SHEET

The Staff presents in this exhibit the Company's Balance Sheet as of December 31, 2000.

United Utility Companies, Inc.
Operating Experience, Rate Base, and Rates of Return
Test Year Ended December 31, 2000

<u>Description</u>	(1) Per Books \$	(2) Accounting & Pro Forma Adjustments \$	(3) As Adjusted \$	(4) Effect of Proposed Increase \$	(5) After Proposed Increase \$
<u>Operating Revenues</u>					
Service Revenue-Water	34,212	0	34,212	8,938 (13)	43,150
Service Revenue-Sewer	326,071	0	326,071	285,814 (13)	611,885
Miscellaneous Income	13,905	0	13,905	0	13,905
Uncollectibles	(11,194)	0	(11,194)	(9,222) (14)	(20,416)
<u>Total Operating Revenues</u>	362,994	0	362,994	285,530	648,524
<u>Operating Expenses</u>					
Operating & Maintenance Expenses	327,232	471 (1)	327,703	0	327,703
General & Administrative Expenses	67,466	(3,415) (2)	64,051	0	64,051
Depreciation & Amortization Expenses	25,016	1,989 (3)	27,005	0	27,005
Taxes Other Than Income	42,418	(39) (4)	42,379	3,499 (15)	45,878
Income Taxes	(35,133)	(18,117) (5)	(53,250)	105,198 (16)	51,948
Interest on Customer Deposits	2,338	(474) (6)	1,864	0	1,864
<u>Total Operating Expenses</u>	429,337	(19,585)	409,752	108,697	518,449
<u>Net Operating Income</u>	(66,343)	19,585	(46,758)	176,833	130,075
AFUDC	1,991	(1,991) (7)	0		
Customer Growth (Exhibit A-2)	0	0	0	845 (A2)	845
<u>Net Income for Return</u>	(64,352)	17,594 (7)	(46,758)	177,678	130,920
<u>Original Cost Rate Base</u>					
Gross Plant In Service	3,067,547	10,756 (8)	3,078,303	0	3,078,303
Accumulated Depreciation	(229,884)	(2,011) (9)	(231,895)	0	(231,895)
Net Plant In Service	2,837,663	8,745	2,846,408	0	2,846,408
Cash Working Capital (Exhibit A-3)	49,337	(143) (10)	49,194	0	49,194
Water Service Corporation -Rate Base	13,397	(714) (11)	12,683	0	12,683
Contributions in Aid of Construction	(1,719,531)		(1,719,531)	0	(1,719,531)
Accumulated Deferred Income Taxes	(154,905)		(154,905)	0	(154,905)
Customer Deposits	(23,294)	(20,405) (12)	(43,699)	0	(43,699)
<u>Total Rate Base</u>	1,002,667	(12,517)	990,150	0	990,150
<u>Return on Rate Base</u>	-6.42%		-4.72%		13.22%
<u>Operating Margin After Interest Exp.</u>	-19.00%		-24.66%		13.60%
<u>Interest Exp. for Operating Margin</u>	4,601		42,752		42,752

United Utility Companies, Inc.
Operating Experience, Rate Base, and Rates of Return
Test Year Ended December 31, 2000

<u>Description</u>	(1) Per Books \$	(2) Accounting & Pro Forma Adjustments \$	(3) As Adjusted \$	(4) Effect of Proposed Increase \$	(5) After Proposed Increase \$
<u>Operating Revenues</u>					
Service Revenue-Water	34,212	0	34,212	8,938 (13)	43,150
Service Revenue-Sewer	0	0	0	0	0
Miscellaneous Income	690	0	690	0	690
Uncollectibles	(944)	0	(944)	(247) (14)	(1,191)
<u>Total Operating Revenues</u>	33,958	0	33,958	8,691	42,649
<u>Operating Expenses</u>					
Operating & Maintenance Expenses	16,008	48 (1)	16,056	0	16,056
General & Administrative Expenses	3,988	(195) (2)	3,793	0	3,793
Depreciation & Amortization Expenses	3,510	(800) (3)	2,710	0	2,710
Taxes Other Than Income	2,641	(2) (4)	2,639	106 (15)	2,745
Income Taxes	(2,962)	4,301 (5)	1,339	3,202 (16)	4,541
Interest on Customer Deposits	138	(28) (6)	110	0	110
<u>Total Operating Expenses</u>	23,323	3,324	26,647	3,308	29,955
<u>Net Operating Income</u>	10,635	(3,324)	7,311	5,383	12,694
AFUDC	242	(242) (7)	0	0	0
Customer Growth (Exhibit A-2)	0	0	0	0	0
<u>Net Income for Return</u>	10,877	(3,566)	7,311	5,383	12,694
<u>Original Cost Rate Base</u>					
Gross Plant In Service	374,286	13 (8)	374,299	0	374,299
Accumulated Depreciation	(29,066)	799 (9)	(28,267)	0	(28,267)
Net Plant In Service	345,220	812	346,032	0	346,032
Cash Working Capital (Exhibit A-3)	2,499	(5) (10)	2,494	0	2,494
Water Service Corporation -Rate Base	791	(42) (11)	749	0	749
Contributions in Aid of Construction	(220,380)	0	(220,380)	0	(220,380)
Accumulated Deferred Income Taxes	(9,155)	0	(9,155)	0	(9,155)
Customer Deposits	(1,377)	(1,206) (12)	(2,583)	0	(2,583)
<u>Total Rate Base</u>	117,598	(441)	117,157		117,157
<u>Return on Rate Base</u>	9.25%		6.24%		10.84%
<u>Operating Margin After Interest Exp.</u>	30.80%		6.63%		17.90%
<u>Interest Exp. for Operating Margin</u>	419		5,060		5,060

United Utility Companies, Inc.
Operating Experience, Rate Base, and Rates of Return
Test Year Ended December 31, 2000

Description	(1) Per Books \$	(2) Accounting & Pro Forma Adjustments \$	(3) As Adjusted \$	(4) Effect of Proposed Increase \$	(5) After Proposed Increase \$
Operating Revenues					
Service Revenue-Water	0	0	0	0	0
Service Revenue-Sewer	326,071	0	326,071	285,814 (13)	611,885
Miscellaneous Income	13,215	0	13,215	0	13,215
Uncollectibles	(10,250)	0	(10,250)	(8,975) (14)	(19,225)
Total Operating Revenues	329,036	0	329,036	276,839	605,875
Operating Expenses					
Operating & Maintenance Expenses	311,224	423 (1)	311,647	0	311,647
General & Administrative Expenses	63,478	(3,220) (2)	60,258	0	60,258
Depreciation & Amortization Expenses	21,506	2,789 (3)	24,295	0	24,295
Taxes Other Than Income	39,777	(37) (4)	39,740	3,393 (15)	43,133
Income Taxes	(32,171)	(22,418) (5)	(54,589)	101,996 (16)	47,407
Interest on Customer Deposits	2,200	(446) (6)	1,754	0	1,754
Total Operating Expenses	406,014	(22,909)	383,105	105,389	488,494
Net Operating Income	(76,978)	22,909	(54,069)	171,450	117,381
AFUDC	1,749	(1,749) (7)	0	0	0
Customer Growth (Exhibit A-2)	0	0	0	845 (A2)	845
Net Income for Return	(75,229)	21,160	(54,069)	172,295	118,226
Original Cost Rate Base					
Gross Plant In Service	2,693,261	10,743 (8)	2,704,004	0	2,704,004
Accumulated Depreciation	(200,818)	(2,810) (9)	(203,628)	0	(203,628)
					0
Net Plant In Service	2,492,443	7,933	2,500,376	0	2,500,376
Cash Working Capital (Exhibit A-3)	46,838	(138) (10)	46,700	0	46,700
Water Service Corporation -Rate Base	12,606	(672) (11)	11,934	0	11,934
Contributions in Aid of Construction	(1,499,151)	0	(1,499,151)	0	(1,499,151)
Accumulated Deferred Income Taxes	(145,750)	0	(145,750)	0	(145,750)
Customer Deposits	(21,917)	(19,199) (12)	(41,116)	0	(41,116)
Total Rate Base	885,069	(12,076)	872,993	0	872,993
Return on Rate Base	-8.50%		-6.19%		13.54%
Operating Margin After Interest Exp.	-24.13%		-27.89%		13.29%
Interest Exp. for Operating Margin	4,182		37,694		37,694

United Utility Companies, Inc.
Explanation of Accounting and Pro Forma Adjustments
Test Year Ended December 31, 2000

Adj. No. Description	Revenue and Expenses	(1)	(2)	(3)	(4)	(5)	(6)	(7)
		O & M Expenses	G & A Expenses	Depreciation and Amortization	Taxes Other Than Income	Income Taxes	Interest on Customer Deposits	AFUDC
		\$	\$	\$	\$	\$	\$	\$
<p>(1) The Company and Staff propose to annualize operators' salaries for the test year. Staff annualized wages using the payroll at 12-26-00 and subtracted the per book payroll from this amount. The Company also annualized year-end salaries. However, the Company and Staff differed on the annualized amount for 5 employees. The Company's adjustment also included a terminated employee which the Staff eliminated. The Staff and Company computed taxes and benefits. Pensions & Benefits were annualized to match end of test year wages and salaries. Staff capitalized 12.40% of the wage adjustment to reflect time operators spent on capital projects. Staff's review indicates that this percentage represents the correct percent of labor capitalized. (A)</p>								
Per Staff - Combined		1,387	(2,675)			(2)		
Per Staff - Water		82	(158)			0		
Per Staff - Sewer		1,305	(2,517)			(2)		
Per Company - Combined		6,701	0			0		
Per Company - Water		391	0			0		
Per Company - Sewer		6,310	0			0		

United Utility Companies, Inc.
Explanation of Accounting and Pro Forma Adjustments
Test Year Ended December 31, 2000

Adj. No. Description	Revenue and Expenses	(1) O & M Expenses	(2) G & A Expenses	(3) Depreciation and Amortization	(4) Taxes Other Than Income	(5) Income Taxes	(6) Interest on Customer Deposits	(7) AFUDC
		\$	\$	\$	\$	\$	\$	\$
<p>(2) The Staff and Company propose to annualize wages for office salaries. The Staff annualized salaries using payroll information for the period ending 12-26-2000 and subtracted per book payroll from this amount. The Company also annualized year end salaries. However, the Company's adjustment included the annualized salary of a retired employee, which the Staff eliminated in its annualization. The Staff and Company both computed taxes and benefits. Pensions & Benefits were annualized to match end of test year wages and salaries. Staff did not capitalize negative wage amounts. (A)</p>								
Per Staff - Combined			(1,951)			0		
Per Staff - Water			(115)			0		
Per Staff - Sewer			(1,836)			0		
Per Company - Combined			(1,342)			683		
Per Company - Water			(81)			41		
Per Company - Sewer			(1,261)			642		

United Utility Companies, Inc.
Explanation of Accounting and Pro Forma Adjustments
Test Year Ended December 31, 2000

Adj. No. Description	Revenue and Expenses	(1) O & M Expenses	(2) G & A Expenses	(3) Depreciation and Amortization	(4) Taxes Other Than Income	(5) Income Taxes	(6) Interest on Customer Deposits	(7) AFUDC
		\$	\$	\$	\$	\$	\$	\$
(3) The Company proposes to adjust for an increase in other office expenses for costs associated with its proposal to change from bi-monthly billings to monthly billings. The Company proposed this since such a change would cause additional expenses for postage, envelopes, paper, and bank charges. The Staff proposes to not make this adjustment since the Company has not yet implemented the change. However, if the Commission would approve such a change, Staff verified an additional cost of \$3,821 to the Company. (A)								
	Per Staff - Combined		0					
	Per Staff - Water		0					
	Per Staff - Sewer		0					
	Per Company - Combined		3,543					
	Per Company - Water		209					
	Per Company - Sewer		3,334					
(4) Staff proposes to remove WSC bonuses allocated to United Utility of \$12 and United Utility employee bonuses of \$208. These bonuses are considered to be the responsibility of the Company's stockholder and not the ratepayer. (A)								
	Per Staff - Combined	(12)	(208)					
	Per Staff - Water	(1)	(6)					
	Per Staff - Sewer	(11)	(202)					
	Per Company - Combined	0	0					
	Per Company - Water	0	0					
	Per Company - Sewer	0	0					

United Utility Companies, Inc.
Explanation of Accounting and Pro Forma Adjustments
Test Year Ended December 31, 2000

Adj. No. Description	Revenue and Expenses	(1) O & M Expenses	(2) G & A Expenses	(3) Depreciation and Amortization	(4) Taxes Other Than Income	(5) Income Taxes	(6) Interest on Customer Deposits	(7) AFUDC
		\$	\$	\$	\$	\$	\$	\$
(5) The Staff proposes to adjust common expenses, direct salaries, and Columbia Office expenses caused by the up-dating of customer equivalents to December 31, 2000. Due to the up-date in customer equivalents, Staff recalculated allocation factors and applied the factors to the appropriate expenses. The Company's proposed allocations are based on customer equivalents as of June 30, 2000. (A)								
Per Staff - Combined		(459)	(19)	(22)	(37)			
Per Staff - Water		(27)	(1)	(1)	(2)			
Per Staff - Sewer		(432)	(18)	(21)	(35)			
Per Company - Combined		0	0	0	0			
Per Company - Water		0	0	0	0			
Per Company - Sewer		0	0	0	0			
(6) The Staff and Company propose to adjust for rate case expenses. Staff's adjustment includes rate case notices costing \$514 and employee salary of \$3,800. Staff has amortized these costs over three years for a total adjustment of \$1,438. The Company's adjustment included estimated salary expenses of \$14,025, travel expense of \$2,600, legal fees of \$50,000 and cost for cost of capital witness of \$10,000. The Company has proposed to amortize these costs over three years. (A)								
Per Staff - Combined			1,438					
Per Staff - Water			85					
Per Staff - Sewer			1,353					
Per Company - Combined			25,542					
Per Company - Water			1,510					
Per Company - Sewer			24,032					

United Utility Companies, Inc.
Explanation of Accounting and Pro Forma Adjustments
Test Year Ended December 31, 2000

Adj. No. Description	Revenue and Expenses	(1) O & M Expenses	(2) G & A Expenses	(3) Depreciation and Amortization	(4) Taxes Other Than Income	(5) Income Taxes	(6) Interest on Customer Deposits	(7) AFUDC
		\$	\$	\$	\$	\$	\$	\$

(7) Staff proposes to remove United Utility expenses which are considered non-allowable for ratemaking purposes. Staff reclassified a total of \$339 in direct expenses. Staff also proposes to remove the portion of WSC common expenses allocated to United Utility, which are considered nonallowables for ratemaking purposes. These expenses include out of test year expenses, flowers, 1/2 Chamber of Commerce dues, capital items, and employee newsletters. A total of \$12,323 were nonallowable expenses, of which United Utility was allocated \$84 or 0.682%. A total of \$3,587.20 were non-allowable expenses to be capitalized, of which United Utility was allocated \$22 or .60%. (A)

Per Staff - Combined

Per Staff - Water

Per Staff - Sewer

Per Company - Combined

Per Company - Water

Per Company - Sewer

(445)

(6)

(439)

0

0

0

339
84
22
445

United Utility Companies, Inc.
Explanation of Accounting and Pro Forma Adjustments
Test Year Ended December 31, 2000

Adj. No. Description	Revenue and Expenses	(1) O & M Expenses	(2) G & A Expenses	(3) Depreciation and Amortization	(4) Taxes Other Than Income	(5) Income Taxes	(6) Interest on Customer Deposits	(7) AFUDC
		\$	\$	\$	\$	\$	\$	\$

(8) Staff and Company propose to annualize depreciation expense using year end plant balances and depreciation rates. Staff included plant additions of \$24,389, and reduced gross plant for plant retirements of \$13,490. Before applying the depreciation rate of 1.5% to the net plant amount, Staff reduced gross plant for land, vehicles, computers, CIAC, and Organizational Expense. Staff used a depreciation rate of 20% to depreciate vehicles and computers. Staff computed the WCS rate base depreciation expense. Depreciation rates used by the Staff were recommended by the Utilities Department. Staff calculated its net adjustment to be \$2,011. The Company included \$87,353 of plant additions and did not remove any retirements, or computers before applying 1.5% for depreciation expense. The Company did not adjust for the WSC rate base. The Company's adjustment is \$4,278. (A & U)

Per Staff - Combined	2,011
Per Staff - Water	(799)
Per Staff - Sewer	2,810
Per Company - Combined	4,278
Per Company - Water	(934)
Per Company - Sewer	5,212

United Utility Companies, Inc.
Explanation of Accounting and Pro Forma Adjustments
Test Year Ended December 31, 2000

Adj. No.	Description	Revenue and Expenses	(1) O & M Expenses	(2) G & A Expenses	(3) Depreciation and Amortization	(4) Taxes Other Than Income	(5) Income Taxes	(6) Interest on Customer Deposits	(7) AFUDC
			\$	\$	\$	\$	\$	\$	\$
(9) The Company proposes to adjust for an estimated 5% increase in Utility Commission Taxes. Staff adjusted for any changes in gross receipts taxes in the adjustment for the proposed increase, making use of the current gross receipt tax rate. (A)									
	Per Staff - Combined					0			
	Per Staff - Water					0			
	Per Staff - Sewer					0			
	Per Company - Combined					223			
	Per Company - Water					19			
	Per Company - Sewer					204			
(10) The Staff and Company propose to adjust taxes for accounting and pro forma adjustments. Staff and Company used the current corporate tax rate of 5% for state taxes and 34% for federal taxes. (A)									
	Per Staff - Combined						(3,878)		
	Per Staff - Water						6,032		
	Per Staff - Sewer						(9,910)		
	Per Company - Combined						(18,343)		
	Per Company - Water						5,289		
	Per Company - Sewer						(23,632)		

United Utility Companies, Inc.
Explanation of Accounting and Pro Forma Adjustments
Test Year Ended December 31, 2000

Adj. No. Description	Revenue and Expenses	(1) O & M Expenses	(2) G & A Expenses	(3) Depreciation and Amortization	(4) Taxes Other Than Income	(5) Income Taxes	(6) Interest on Customer Deposits	(7) AFUDC
		\$	\$	\$	\$	\$	\$	\$
(11) The Staff and Company propose to include the effects of Interest Synchronization on Income Taxes. Interest Synchronization imputes interest expense as being the total income for return necessary to cover embedded cost rates on long term debt as computed on Staff's Audit Exhibit AC4.								
Per Staff - Combined						(14,239)		
Per Staff - Water						(1,731)		
Per Staff - Sewer						(12,508)		
Per Company - Combined						(15,964)		
Per Company - Water						(1,744)		
Per Company - Sewer						(14,220)		
(12) The Staff proposes to annualize interest on Customer Deposits. Staff used the customer deposit balance at 12-31-00 of \$23,294 and applied the Commission approved interest rate of 8%. Interest amounted to \$1,864. Staff subtracted the per book interest expense of \$2,338 from the annualized amount resulting in an adjustment of \$(474). (A)								
Per Staff - Combined							(474)	
Per Staff - Water							(28)	
Per Staff - Sewer							(446)	
Per Company - Combined							0	
Per Company - Water							0	
Per Company - Sewer							0	

United Utility Companies, Inc.
Explanation of Accounting and Pro Forma Adjustments
Test Year Ended December 31, 2000

Adj. No. Description	Revenue and Expenses	(1) O & M Expenses	(2) G & A Expenses	(3) Depreciation and Amortization	(4) Taxes Other Than Income	(5) Income Taxes	(6) Interest on Customer Deposits	(7) AFUDC
		\$	\$	\$	\$	\$	\$	\$
(13) The Staff and Company propose to remove Allowance for Funds used During Construction. Staff removed the AFUDC associated with CWIP that has been completed and transferred to Plant In Service. (A)								
Per Staff - Combined								(1,991)
Per Staff - Water								(242)
Per Staff - Sewer								(1,749)
Per Company - Combined								(1,991)
Per Company - Water								(242)
Per Company - Sewer								(1,749)

Total Accounting and Pro Forma Adjustments

Revenue and Expenses - Per Staff								
Combined	471	(3,415)	1,989	(39)	(18,117)	(474)	(1,991)	
Water	48	(195)	(800)	(2)	4,301	(28)	(242)	
Sewer	423	(3,220)	2,789	(37)	(22,418)	(446)	(1,749)	

Total Accounting and Pro Forma Adjustments

Revenue and Expenses - Per Company								
Combined	6,701	27,743	4,278	906	(34,307)	0	(1,991)	
Water	391	1,638	(934)	60	3,545	0	(242)	
Sewer	6,310	26,105	5,212	846	(37,852)	0	(1,749)	

United Utility Companies, Inc.
Explanation of Accounting and Pro Forma Adjustments
Test Year Ended December 31, 2000

Adj. No. Description	Rate Base	(8)	(9)	(10)	(11)	(12)
		Plant In	Accumulated	Cash	WSC	Customer
		Service	Depreciation	Working	Rate Base	Deposits
		\$	\$	\$	\$	\$

(14) The Staff proposes to capitalize wages and benefits associated with the annualization of operators' salaries. Both the Staff and Company propose to capitalize 12.40% of their wage adjustments. The capitalization rate used by Staff is based on actual wages capitalized during the test year. (A)

Per Staff - Combined	196					
Per Staff - Water	12					
Per Staff - Sewer	184					
Per Company - Combined	0					
Per Company - Water	0					
Per Company - Sewer	0					

(15) The Staff proposes to remove officers' and other WSC employee bonuses from capitalized wages. Staff removed short and long term bonuses from salaries which were directly capitalized to United Utility. Such bonuses amounted to \$348. Staff also removed 3% of officers salary increases. Such bonuses are the responsibility of the Company's stockholders, not the ratepayer. (A)

Per Staff - Combined	(361)					
Per Staff - Water	0					
Per Staff - Sewer	(361)					
Per Company - Combined	0					
Per Company - Water	0					
Per Company - Sewer	0					

United Utility Companies, Inc.
Explanation of Accounting and Pro Forma Adjustments
Test Year Ended December 31, 2000

Adj. No. Description	Rate Base	(8)	(9)	(10)	(11)	(12)
		Plant In	Accumulated	Working	WSC	Customer
		Service	Depreciation	Capital	Rate Base	Deposits
		\$	\$	\$	\$	\$
(16) Staff proposes to allocate a portion of expenses found in Staff's sample of WSC cost and which should have been capitalized. Staff removed United Utility's portion from expenses and capitalized 0.60% of the WSC amount of \$3,587 to United Utility. (A)						
Per Staff - Combined		22				
Per Staff - Water		1				
Per Staff - Sewer		21				
Per Company - Combined		0				
Per Company - Water		0				
Per Company - Sewer		0				
(17) The Company and Staff propose to adjust for plant additions made after the test year ended. Staff verified a total of \$24,389 of completed additions and \$13,490 of plant retirements. The Company proposes total plant additions of \$87,353. These additions are estimated costs of projects. (A)						
Per Staff - Combined		10,899				
Per Staff - Water		0				
Per Staff - Sewer		10,899				
Per Company - Combined		87,353				
Per Company - Water		0				
Per Company - Sewer		87,353				

United Utility Companies, Inc.
Explanation of Accounting and Pro Forma Adjustments
Test Year Ended December 31, 2000

Adj. No. Description	Rate Base	(8)	(9)	(10)	(11)	(12)
		Plant In	Accumulated	Working	WSC	Customer
		Service	Depreciation	Capital	Rate Base	Deposits
		\$	\$	\$	\$	\$

(18) The Staff proposes to adjust the WSC rate base for up-dating customer equivalents to December 31, 2000. Staff verified the WSC rate base and removed deferred charges, adjusted accumulated deferred income taxes and adjusted accumulated depreciation for the computer depreciation rates recommended by the Utilities Department. Staff computed Rate Base amounting to \$12,683. This amount was compared to the per book amount of \$13,397. The \$714 difference was used by the Staff to adjust rate base. (A)

Per Staff - Combined	(714)	
Per Staff - Water	(42)	
Per Staff - Sewer	(672)	
Per Company - Combined	0	
Per Company - Water	0	
Per Company - Sewer	0	

(19) The Staff proposes to adjust accumulated depreciation for the annualized depreciation expense adjustment. Staff computed a net increase to depreciation expense of \$2,011 resulting in a net increase to accumulated depreciation. (A)

Per Staff - Combined	(2,011)	
Per Staff - Water	799	
Per Staff - Sewer	(2,810)	
Per Company - Combined	0	
Per Company - Water	0	
Per Company - Sewer	0	

United Utility Companies, Inc.
Explanation of Accounting and Pro Forma Adjustments
Test Year Ended December 31, 2000

Adj. No.	Description	Rate Base	(8)	(9)	(10)	(11)	(12)
			Plant In	Accumulated	Cash	WSC	Customer
			Service	Depreciation	Working	Rate Base	Deposits
			\$	\$	\$	\$	\$
(20)	The Staff and Company propose to adjust Cash Working Capital. The Staff adjusts for items which correct the books. The Company adjusts for pro forma expenses. The allowance represents the amount of cash needed by the Company to operate efficiently and economically on a day to day basis. The forty-five day allowance is needed because the Company renders a monthly service before it collects from the customer. Forty-five days is based on 30 days of rendering service plus an additional 15 days to read meters, prepare bills, bill customers and collect from its customers. (A)						
	Per Staff - Combined				(143)		
	Per Staff - Water				(5)		
	Per Staff - Sewer				(138)		
	Per Company - Combined				4,419		
	Per Company - Water				261		
	Per Company - Sewer				4,158		

United Utility Companies, Inc.
Explanation of Accounting and Pro Forma Adjustments
Test Year Ended December 31, 2000

Adj. No. Description	Rate Base	(8)	(9)	(10) Cash Working Capital	(11) WSC Rate Base	(12) Customer Deposits
		\$	\$	\$	\$	\$
(21) The Staff proposes to adjust for accrued interest on customer deposits. (A)						
Per Staff - Combined						(20,405)
Per Staff - Water						(1,206)
Per Staff - Sewer						(19,199)
Per Company - Combined						0
Per Company - Water						0
Per Company - Sewer						0
Total Accounting and Pro Forma Adjustments						
Rate Base - Per Staff						
Combined		10,756	(2,011)	(143)	(714)	(20,405)
Water		13	799	(5)	(42)	(1,206)
Sewer		10,743	(2,810)	(138)	(672)	(19,199)
Total Accounting and Pro Forma Adjustments						
Rate Base - Per Company						
Combined		87,353	0	4,419	0	0
Water		0	0	261	0	0
Sewer		87,353	0	4,158	0	0

United Utility Companies, Inc.
Explanation of Accounting and Pro Forma Adjustments
Test Year Ended December 31, 2000

Adj. No. Description	Proposed Increase	(13) Revenue	(14) Uncollectible Accounts	(15) Taxes Other than Income	(16) Income Taxes
(22) Staff and Company propose to show the effect of the proposed rates and charges. Staff's adjustment includes the computation of Income Taxes, and Gross Receipts Taxes. (A & U)					
Per Staff - Combined		294,752	(9,222)	3,499	105,198
Per Staff - Water		8,938	(247)	106	3,202
Per Staff - Sewer		285,814	(8,975)	3,393	101,996
Per Company - Combined		294,752	(9,231)	884	106,170
Per Company - Water		8,938	(246)	27	3,232
Per Company - Sewer		285,814	(8,985)	857	102,938
Total Accounting and Pro Forma Adjustments					
Proposed Increase - Per Staff		294,752	(9,222)	3,499	105,198
Combined		8,938	(247)	106	3,202
Water		285,814	(8,975)	3,393	101,996
Sewer					
Total Accounting and Pro Forma Adjustments					
Proposed Increase - Per Company		294,752	(9,231)	884	106,170
Combined		(8,938)	(246)	27	3,232
Water		285,814	(8,985)	857	102,938
Sewer					

2.74 - W
3.14 - S
1.187 - WS

(A) - Adjustment is the responsibility of the Audit Department witness.
(U) - Adjustment is the responsibility of the Utilities Department witness.

United Utility Companies, Inc.
Customer Growth Computation
Test Year Ended December 31, 2000

COMBINED OPERATIONS	(1)	(2)	(3)	(4)	(5)
Description	Per Books	Accounting & Pro Forma Adjustments	As Adjusted	Effect of Proposed Increase	After Increase
	\$	\$	\$	\$	\$
Water Customer Growth	0	0	0	0	0
Sewer Customer Growth	0	0	0	845	845
Combined Customer Growth	0	0	0	845	845

NOTE: Combined Customer Growth equals Water plus Sewer Customer Growth.

WATER OPERATIONS

Net Operating Income	10,635	(3,324)	7,311	5,383	12,694
Growth Factor	0.00%	0.00%	0.00%	0.00%	0.00%
Customer Growth	0	0	0	0	0
Number of Customers					
Beginning	88	Formula:			
Ending	88	Ending - Average	=	0	=
Average	88	Average		88	<u>0.00%</u>

SEWER OPERATIONS

Net Operating Income	(76,978)	22,909	(54,069)	171,450	117,381
Growth Factor					0.72%
Customer Growth	0	0	0	845	845
Number of Customers					
Beginning	1,382	Formula:			
Ending	1,402	Ending - Average	=	10	=
Average	1,392	Average		1,392	<u>0.72%</u>

NOTE: Staff does not recognize negative growth, therefore, growth was computed only after the proposed increase.

United Utility Companies, Inc.
Cash Working Capital Allowance
Test Year Ended December 31, 2000

	(1) Combined Operations	(2) Water Operations	(3) Sewer Operations
	\$	\$	\$
Operating and Maintenance	327,232	16,008	311,224
General and Administrative	<u>67,466</u>	<u>3,988</u>	<u>63,478</u>
Total Expense for Computation	394,698	19,996	374,702
Cash Working Capital Rate	<u>12.50%</u>	<u>12.50%</u>	<u>12.50%</u>
Per Books - Cash Working Capital	<u>49,337</u>	<u>2,499</u>	<u>46,838</u>
Correcting Adjustments	(1,143)	(41)	(1,102)
Allowable rate	<u>12.50%</u>	<u>12.50%</u>	<u>12.50%</u>
Cash Working Capital Adjustment	(143)	(5)	(138)
Cash Working Capital As Adjusted	<u>49,194</u>	<u>2,494</u>	<u>46,700</u>

United Utility Companies, Inc.
Return on Common Equity - Combined
Test Year Ended December 31, 2000

Description	(1)	(2)	----- As Adjusted -----			----- After Proposed Increase -----				Income for Return
	Capital Structure	Ratio	Rate Base	Embedded Cost/Return	Overall Cost/Return	Income for Return	Rate Base	Embedded Cost/Return	Overall Cost/Return	
	\$	%	\$	%	%	\$	\$	%	%	\$
Long-Term Debt	70,000,000	50.09%	495,966	8.62%	4.32%	42,752	495,966	8.62%	4.32%	42,752
Common Equity	69,754,278	49.91%	494,184	-18.11%	-9.04%	(89,510)	494,184	17.84%	8.90%	88,168
Totals	139,754,278	100.00%	990,150		-4.72%	(46,758)	990,150		13.22%	130,920

United Utility Companies, Inc.
Return on Common Equity - Water
Test Year Ended December 31, 2000

Description	(1) Capital Structure	(2) Ratio %	----- As Adjusted -----			----- After Proposed Increase -----			(10) Income for Return
			(3) Rate Base	(4) Embedded Cost/Return	(5) Overall Cost/Return	(6) Income for Return	(7) Rate Base	(8) Embedded Cost/Return	
Long-Term Debt	\$ 70,000,000	50.09%	\$ 58,684	8.62%	4.32%	\$ 5,058	\$ 58,684	8.62%	\$ 5,058
Common Equity	69,754,278	49.91%	58,473	3.85%	1.92%	2,253	58,473	13.06%	7,636
Totals	139,754,278	100.00%	117,157		6.24%	7,311	117,157	10.84%	12,694

United Utility Companies, Inc.
Return on Common Equity - Sewer
Test Year Ended December 31, 2000

Description	(1)	(2)	----- As Adjusted -----			----- After Proposed Increase -----			(10)
			(3)	(4)	(5)	(6)	(7)	(8)	
	Capital Structure	Ratio	Rate Base	Embedded Cost/Return	Overall Cost/Return	Income for Return	Rate Base	Embedded Cost/Return	Income for Return
	\$	%	\$	%	%	\$	\$	%	\$
Long-Term Debt	70,000,000	50.09%	437,282	8.62%	4.32%	37,694	437,282	8.62%	37,694
Common Equity	69,754,278	49.91%	435,711	-21.06%	-10.51%	(91,763)	435,711	18.48%	80,532
Totals	139,754,278	100.00%	872,993		-6.19%	(54,069)	872,993	13.54%	118,226

United Utility Companies, Inc.
Revenue Requirements
Test Year Ended December 31, 2000

	Return on Equity	Revenue Increase Required	Return on Rate Base
	%	\$	%
Staff's Range -Spearman	10.00%	230,825	9.31%
	10.50%	234,921	9.56%
	11.00%	239,017	9.81%
Company's Range - Ahern	12.00%	247,210	10.31%
	12.50%	251,306	10.56%

United Utility Companies, Inc.
Income Statement
December 31, 2000

Revenues

<u>Operating Revenue</u>	\$	\$
Service Revenue - Water	34,212	
Service Revenue - Sewer	326,071	
Miscellaneous Revenue	13,905	
Uncollectible Revenue	<u>(11,194)</u>	
<u>Total Operating Revenue</u>		<u>362,994</u>

Expenses

<u>Operating Expenses</u>		
Operating & Maintenance	327,232	
General	67,466	
Depreciation	52,371	
Taxes Other Than Income	42,418	
Income Taxes - Federal	(35,859)	
Income Taxes - State	726	
Amortization of CIAC	<u>(27,356)</u>	
<u>Total Operating Expenses</u>		<u>426,998</u>
Net Operating Income		(64,004)
Interest on Debt		(4,601)
Interest During Construction		1,991
Interest on Customer Deposits		(2,338)
<u>Net Income Balance</u>		<u><u>(68,952)</u></u>

United Utility Companies, Inc.
Balance Sheet
December 31, 2000

AssetsCurrent Assets

	\$	\$
Cash and Equivalents	(75)	
Accounts Receivable	90,326	
Other Current Assets	2,290	
	<u> </u>	
<u>Total Current Assets</u>		<u>92,541</u>

Plant in Service Water/Sewer

Plant In Service - Water	374,286	
Plant In Service - Sewer	2,693,261	
Less: Accumulated Depreciation - Water	(29,066)	
Less: Accumulated Depreciation - Sewer	(200,818)	
	<u> </u>	
<u>Net Utility Plant</u>		<u>2,837,663</u>

Deferred Charges		<u>10,220</u>
------------------	--	---------------

TOTAL ASSETS

2,940,424

Liabilities & Membership EquityCurrent & Accrued Liabilities

Accounts Payable - Trade	4,838	
Taxes Accrued	1,197	
Customer Deposits	23,294	
Customer Deposits - Interest	20,405	
A/P - Associated Companies	1,327,806	
	<u> </u>	
<u>Total Current & Accrued Liabilities</u>		<u>1,377,540</u>

Contributions In Aid of Construction

Water	220,380	
Sewer	1,499,151	
	<u> </u>	
<u>Total Contributions In Aid of Construction</u>		<u>1,719,531</u>

Accumulated Deferred Income Tax

Unamortized ITC		
Deferred Tax - Federal	156,588	
Deferred Tax - State	(1,683)	
	<u> </u>	
<u>Total Accumulated Deferred Income Tax</u>		<u>154,905</u>

Capital Stock/Retained Earnings

Common Stock/Paid in Capital	329,941	
Retained Earnings	(641,493)	
	<u> </u>	
<u>Total Capital Stock/Retained Earnings</u>		<u>(311,552)</u>

TOTAL LIABILITIES AND OTHER CREDITS

2,940,424

**REPORT OF THE
UTILITIES DEPARTMENT
PUBLIC SERVICE COMMISSION OF SOUTH CAROLINA**

UNITED UTILITY COMPANIES , INC.

DOCKET NO. 2000-210-W/S

UTILITIES DEPARTMENT REPORT
UNITED UTILITY COMPANIES, INC.

DOCKET NO. 2000-210-W/S

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WATER AND WASTEWATER DEPARTMENT EXHIBIT NO. 1

PRESENT AND PROPOSED RATES AND CHARGES

United Utility Companies, Inc. is currently operating under rates and charges approved on July 16, 1990 by Commission Order No. 90-651 in Docket No. 89-602-W/S. The rates for the Chambert Forest Mobile Home Community were approved in Docket No. 92-129-S, Order No. 92-799 on September 11, 1992. Order No. 92-799 reduced the sewer rate from \$29.00 per month to \$21.75 per month for the Chambert Forest Mobile Home Community.

The following 14 pages are the currently APPROVED rates and charges and the PROPOSED rates and charges.

UNITED UTILITY COMPANIES, INC.

SCHEDULE OF **APPROVED** RATES AND CHARGES

WATER

1. Monthly Charges

Residential -

Monthly charge per single family
house, condominium, mobile home
or apartment unit:

\$9.00 per unit

Commodity Charge:

\$3.50 per 1,000 gallons

Commercial

Monthly Charge

\$9.00 per unit

Commodity Charge:

\$3.50 per 1,000 gallons

Commercial customers are those not included in the residential category above and include, but are not limited to, hotels, stores, restaurants, offices, industry, etc.

When, because of the method of water line installation utilized by the developer or owner, its is impractical to meter each unit separately, service will be provided through a single meter, and consumption of all units will be averaged; a bill will be calculated based on that average and the result multiplied by the number of units served by a single meter.

2. Nonrecurring Charges

A) Water service connection charge per single-family equivalent \$100.00

B) Plant Impact fee per single-family equivalent \$400.00

The nonrecurring charges listed above are minimum charges and apply even if the equivalency rating of a non residential customer is less than one (1). If the equivalency rating of a non residential customer is greater than one (1), then the proper charge may be obtained by multiplying the equivalency rating by the appropriate fee. These charges apply and are due at the time new service is applied for, or at the time connection to the water system is requested.

PAGE TWO (APPROVED RATES)

3. Account Set-Up and Reconnection Charges

a. Customer Account Charge - for new customers only. \$25.00

b. Reconnection Charges: In addition to any other charges that may be due, a reconnection fee of thirty five dollars (\$35.00) shall be due prior to the Utility reconnecting service which has been disconnected for any reason set forth in Commission Rule R.103-732.5. Customers who ask to be reconnected within nine months of disconnection will be charged the monthly base facility charge for the service period they were disconnected.

4. Billing Cycle

Recurring charges will be billed bi-monthly in arrears. Nonrecurring charges will be billed and collected in advance of service being provided.

5. Late Payment Charges

Any balance unpaid within twenty-five (25) days of the billing date shall be assessed a late payment charge of one and one-half percent (1 ½%) for each month, or any part of a month, that said payment is late.

6. Tax Multiplier

Except as otherwise provided by contract approved by the South Carolina Public Service Commission, amounts paid or transferred to the Utility by customers, builders, developers or other, either in the form of cash or property, shall be increased by a cash payment in an amount equal to the income taxes owed on the cash or property classified as a contribution or advance in aid of construction in accordance with the Uniform System of Accounts. Included in this classification are water service connection charges and plant impact fees.

7. Construction Standards

The Utility requires all construction to be performed in accordance with generally accepted engineering standards, at a minimum. The Utility from time to time may require that more stringent construction standards be followed.

PAGE THREE (APPROVED RATES)

8. Extension of Utility Service Lines and Mains

The Utility shall have no obligation at its expense to extend its utility service lines or mains in order to permit any customer to connect to its water system. However, anyone or any entity which is willing to pay all costs associated with extending an appropriately sized and constructed main or utility service line from his/her/its premises to any appropriate connection point, to pay the appropriate fees and charges set forth in this rate schedule, and comply with the guidelines and standards hereof, shall not be denied service.

PAGE FOUR (APPROVED RATES)

SCHEDULE OF **APPROVED** RATES AND CHARGES

SEWER

1. Monthly Charges

Residential –
monthly charge per
single-family house, condominium,
villa, or apartment unit: \$29.00 per unit

Mobile Homes - monthly charge: \$29.00 per unit

Chambert Forest Mobile Home Community \$21.75 per unit

Commercial - monthly charge: \$29.00 per SFE*

Charge for Sewage Collection Service Only (All Areas)

When sewage is collected by the Utility and transferred to a government body or agency, or other entity, for treatment, the Utility's rates are as follows:

Residential - monthly charge per
single-family house, condominium,
or apartment unit \$15.00 per unit

Commercial - monthly charge per
single-family equivalent \$15.00 per SFE*

The Utility will also charge for treatment services provided by the government body or agency, or other entity. The rates imposed or charged by the government body or agency, or other, entity providing treatment will be charged to the Utility's affected customers on a pro rata basis, without markup. Where the Utility is required under the terms of the 201/208 Plan to interconnect to the sewage treatment system of a government body or agency or other entity and tap/connection/impact fees are imposed by that entity, such tap/connection/impact fees will be charged to the Utility's affected customers on a pro rata basis, without markup.

Commercial customers are those not included in the residential category above and include, but are not limited to, hotels, stores, restaurants, offices, industry, etc.

PAGE FIVE (APPROVED RATES)

In the case of a landlord/tenant relationship where the tenant is the customer, the Utility may require the landlord to execute an agreement wherein such landlord agrees to be responsible for all charges billed to that premises in accordance with the approved tariffs and the Rules of the Commission, and said account shall be considered the landlord's and tenant's account. In the event the landlord refuses to execute such an agreement, the Utility may not discontinue service to the premises unless and until the tenant becomes delinquent on his account or until the premises are vacated. The Utility may discontinue service pursuant to R.103-535.1 if the account is delinquent or may discontinue service at the time the premises are vacated and the utility shall not be required to furnish service to the premises until the landlord has executed the agreement, and paid any reconnection charges.

2. Nonrecurring Charges

- | | |
|---|----------|
| A) Sewer Service Connection charge per single-family equivalent | \$100.00 |
| B) Plant Impact Fee per single-family equivalent | \$400.00 |

The nonrecurring charges listed above are minimum charges and apply even if the equivalency rating of a non residential customer is less than one (1). If the equivalency rating of a non residential customer is greater than one (1), then the proper charge may be obtained by multiplying the equivalency rating by the appropriate fee. These charges apply and are due at the time new service is applied for, or at the time connection to the sewer system is requested.

3. Notification, Account Set-Up and Reconnection Charges

a. Notification Fee

A fee of four dollars (\$4.00) shall be charged each customer to whom the Utility mails the notice as required by Commission Rule R. 103-535.1 prior to service being discontinued. This fee assesses a portion of the clerical and mailing costs of such notices to the customers creating the cost.

- b. Customer Account Charge: a fee of twenty-five dollars (\$25.00) shall be charged as A one-time fee to defray the costs of initiating service. This charge will be waived if the customer also takes water service.

PAGE SIX (APPROVED RATES)

- c. Reconnection Charges: In addition to any other charges that may be due, a reconnection fee of two hundred fifty dollars (\$250.00) shall be due prior to the Utility reconnecting service which has been disconnected for any reason set forth in Commission Rule R.103-532.4. The amount of the reconnection fee shall be in accordance with R103-532.3 and shall be changed to conform with said rule as the rule is amended from time to time. Customers who ask to be reconnected within nine months of disconnection will be charged the monthly service charge for the service period they were disconnected.

4. Billing Cycle

Recurring charges will be billed bi-monthly in arrears. Nonrecurring charges will be billed and collected in advance of service being provided.

5. Late Payment Charges

Any balance unpaid within twenty-five (25) days of the billing date shall be assessed a late payment charge of one and one-half percent (1 ½ %) for each month, or any part of a month, that said payment is late.

6. Tax Multiplier

Except as otherwise provided by contract approved by the South Carolina Public Service Commission, amounts paid or transferred to the Utility by customers, builders, developers or other, either in the form of cash or property, shall be increased by a cash payment in an amount equal to the income taxes owed on the cash or property classified as a contribution or advance in aid of construction in accordance with the Uniform System of Accounts. Included in this classification are water service connection charges and plant impact fees.

7. Toxic and Pretreatment Effluent Guidelines

The Utility will not accept or treat any substance or material that has been defined by the United States Environmental Protection Agency ("EPA") or the South Carolina Department of Environmental Control ("DHEC") as a toxic pollutant, hazardous waste, or hazardous substance, including pollutants falling within the provisions of 40 CFR §129.4 and §401.15. Additionally, pollutants or pollutant properties subject to 40 CFR §403.5 and §403.6 are to be processed according to the pretreatment standards applicable to such pollutants or pollutant properties, and such standards constitute the Utility's

PAGE SEVEN (APPROVED RATES)

minimum pretreatment standards. Any person or entity introducing any such prohibited or untreated materials into the Company's sewer system may have service interrupted without notice until such discharges cease, and shall be liable to the Utility for all damages and costs, including reasonable attorney's fees, incurred by the Utility as a result thereof.

8. Construction Standards

The Utility requires all construction to be performed in accordance with generally accepted engineering standards, at a minimum. The Utility from time to time may require that more stringent construction standards be followed.

9. Extension of Utility Service Lines and Mains

The Utility shall have no obligation at its expense to extend its utility service lines or mains in order to permit any customer to discharge acceptable wastewater into one of its sewer systems. However, anyone or any entity which is willing to pay all costs associated with extending an appropriately sized and constructed main or utility service line from his/her/its premises to an appropriate connection point, to pay the appropriate fees and charges set forth in this rate schedule and to comply with the guidelines and standards hereof, shall not be denied service

UNITED UTILITY COMPANIES, INC.

SCHEDULE OF **PROPOSED** RATES AND CHARGES

WATER

1. Monthly Charges

Residential -

Monthly charge per single family house, condominium, mobile home or apartment unit:

\$11.50 per unit

Commodity Charge:

\$4.50 per 1,000 gallons

Commercial

Monthly Charge

\$11.50 per unit

Commodity Charge:

\$4.50 per 1,000 gallons

Commercial customers are those not included in the residential category above and include, but are not limited to, hotels, stores, restaurants, offices, industry, etc.

When, because of the method of water line installation utilized by the developer or owner, its is impractical to meter each unit separately, service will be provided through a single meter, and consumption of all units will be averaged; a bill will be calculated based on that average and the result multiplied by the number of units served by a single meter.

2. Nonrecurring Charges

A) Water service connection charge per single-family equivalent \$100.00

B) Plant Impact fee per single-family equivalent \$400.00

The nonrecurring charges listed above are minimum charges and apply even if the equivalency rating of a non residential customer is less than one (1). If the equivalency rating of a non residential customer is greater than one (1), then the proper charge may be obtained by multiplying the equivalency rating by the appropriate fee. These charges apply and are due at the time new service is applied for, or at the time connection to the water system is requested.

PAGE TWO (PROPOSED RATES)

3. Account Set-Up and Reconnection Charges

a. Customer Account Charge - for new customers only. \$25.00

b. Reconnection Charges: In addition to any other charges that may be due, a reconnection fee of thirty five dollars (\$35.00) shall be due prior to the Utility reconnecting service which has been disconnected for any reason set forth in Commission Rule R.103-732.5. Customers who ask to be reconnected within nine months of disconnection will be charged the monthly base facility charge for the service period they were disconnected.

4. Billing Cycle

Recurring charges will be billed monthly in arrears. Nonrecurring charges will be billed and collected in advance of service being provided.

5. Late Payment Charges

Any balance unpaid within twenty-five (25) days of the billing date shall be assessed a late payment charge of one and one-half percent (1 ½%) for each month, or any part of a month, that said payment is late.

6. Tax Multiplier

Except as otherwise provided by contract approved by the South Carolina Public Service Commission, amounts paid or transferred to the Utility by customers, builders, developers or other, either in the form of cash or property, shall be increased by a cash payment in an amount equal to the income taxes owed on the cash or property classified as a contribution or advance in aid of construction in accordance with the Uniform System of Accounts. Included in this classification are water service connection charges and plant impact fees.

7. Construction Standards

The Utility requires all construction to be performed in accordance with generally accepted engineering standards, at a minimum. The Utility from time to time may require that more stringent construction standards be followed.

PAGE THREE (PROPOSED RATES)

8. Extension of Utility Service Lines and Mains

The Utility shall have no obligation at its expense to extend its utility service lines or mains in order to permit any customer to connect to its water system. However, anyone or any entity which is willing to pay all costs associated with extending an appropriately sized and constructed main or utility service line from his/her/its premises to any appropriate connection point, to pay the appropriate fees and charges set forth in this rate schedule, and comply with the guidelines and standards hereof, shall not be denied service.

PAGE FOUR (PROPOSED RATES)

SCHEDULE OF **PROPOSED** RATES AND CHARGES

SEWER

1. Monthly Charges

<u>Residential</u> – monthly charge per single-family house, condominium, villa, or apartment unit:	\$53.50 per unit
Mobile Homes - monthly charge:	\$40.00 per unit
Commercial - monthly charge:	\$53.50 per SFE*

Charge for Sewage Collection Service Only (All Areas)

When sewage is collected by the Utility and transferred to a government body or agency, or other entity, for treatment, the Utility's rates are as follows:

Residential - monthly charge per single-family house, condominium, or apartment unit	\$27.50 per unit
Commercial - monthly charge per single-family equivalent	\$27.50 per SFE*

The Utility will also charge for treatment services provided by the government body or agency, or other entity. The rates imposed or charged by the government body or agency, or other, entity providing treatment will be charged to the Utility's affected customers on a pro rata basis, without markup. Where the Utility is required under the terms of the 201/208 Plan to interconnect to the sewage treatment system of a government body or agency or other entity and tap/connection/impact fees are imposed by that entity, such tap/connection/impact fees will be charged to the Utility's affected customers on a pro rata basis, without markup.

Commercial customers are those not included in the residential category above and include, but are not limited to, hotels, stores, restaurants, offices, industry, etc.

PAGE FIVE (PROPOSED RATES)

In the case of a landlord/tenant relationship where the tenant is the customer, the Utility may require the landlord to execute an agreement wherein such landlord agrees to be responsible for all charges billed to that premises in accordance with the approved tariffs and the Rules of the Commission, and said account shall be considered the landlord's and tenant's account. In the event the landlord refuses to execute such an agreement, the Utility may not discontinue service to the premises unless and until the tenant becomes delinquent on his account or until the premises are vacated. The Utility may discontinue service pursuant to R.103-535.1 if the account is delinquent or may discontinue service at the time the premises are vacated and the utility shall not be required to furnish service to the premises until the landlord has executed the agreement, and paid any reconnection charges.

2. Nonrecurring Charges

- | | |
|---|----------|
| A) Sewer Service Connection charge per single-family equivalent | \$100.00 |
| B) Plant Impact Fee per single-family equivalent | \$400.00 |

The nonrecurring charges listed above are minimum charges and apply even if the equivalency rating of a non residential customer is less than one (1). If the equivalency rating of a non residential customer is greater than one (1), then the proper charge may be obtained by multiplying the equivalency rating by the appropriate fee. These charges apply and are due at the time new service is applied for, or at the time connection to the sewer system is requested.

3. Notification, Account Set-Up and Reconnection Charges

a. Notification Fee

A fee of four dollars (\$4.00) shall be charged each customer to whom the Utility mails the notice as required by Commission Rule R. 103-535.1 prior to service being discontinued. This fee assesses a portion of the clerical and mailing costs of such notices to the customers creating the cost.

- b. Customer Account Charge: a fee of twenty-five dollars (\$25.00) shall be charged as A one-time fee to defray the costs of initiating service. This charge will be waived if the customer also takes water service.

PAGE SIX (PROPOSED RATES)

- c. Reconnection Charges: In addition to any other charges that may be due, a reconnection fee of two hundred fifty dollars (\$250.00) shall be due prior to the Utility reconnecting service which has been disconnected for any reason set forth in Commission Rule R.103-532.4. Where an elder valve has been previously installed, a reconnection charge of thirty-five dollars (\$35.00) shall be due. Customers who ask to be reconnected within nine months of disconnection will be charged the monthly service charge for the service period they were disconnected.

4. Billing Cycle

Recurring charges will be billed monthly in arrears. Nonrecurring charges will be billed and collected in advance of service being provided.

5. Late Payment Charges

Any balance unpaid within twenty-five (25) days of the billing date shall be assessed a late payment charge of one and one-half percent (1 ½ %) for each month, or any part of a month, that said payment is late.

6. Tax Multiplier

Except as otherwise provided by contract approved by the South Carolina Public Service Commission, amounts paid or transferred to the Utility by customers, builders, developers or other, either in the form of cash or property, shall be increased by a cash payment in an amount equal to the income taxes owed on the cash or property classified as a contribution or advance in aid of construction in accordance with the Uniform System of Accounts. Included in this classification are water service connection charges and plant impact fees.

7. Toxic and Pretreatment Effluent Guidelines

The Utility will not accept or treat any substance or material that has been defined by the United States Environmental Protection Agency ("EPA") or the South Carolina Department of Environmental Control ("DHEC") as a toxic pollutant, hazardous waste, or hazardous substance, including pollutants falling within the provisions of 40 CFR §129.4 and §401.15. Additionally, pollutants or pollutant properties subject to 40 CFR §403.5 and §403.6 are to be processed according to the pretreatment standards applicable to such pollutants or pollutant properties, and such standards constitute the Utility's

PAGE SEVEN (PROPOSED RATES)

minimum pretreatment standards. Any person or entity introducing any such prohibited or untreated materials into the Company's sewer system may have service interrupted without notice until such discharges cease, and shall be liable to the Utility for all damages and costs, including reasonable attorney's fees, incurred by the Utility as a result thereof.

8. Construction Standards

The Utility requires all construction to be performed in accordance with generally accepted engineering standards, at a minimum. The Utility from time to time may require that more stringent construction standards be followed.

9. Extension of Utility Service Lines and Mains

The Utility shall have no obligation at its expense to extend its utility service lines or mains in order to permit any customer to discharge acceptable wastewater into one of its sewer systems. However, anyone or any entity which is willing to pay all costs associated with extending an appropriately sized and constructed main or utility service line from his/her/its premises to an appropriate connection point, to pay the appropriate fees and charges set forth in this rate schedule and to comply with the guidelines and standards hereof, shall not be denied service

In no event will the Utility be required to construct additional wastewater treatment capacity to serve any customer or entity without an agreement acceptable to the Utility first having been reached for the payment of all costs associated with adding wastewater treatment capacity to the affected sewer system.

UTILITIES DEPARTMENT EXHIBIT NO. 2

EFFECT OF PROPOSED RATES AND CHARGES ON OPERATING REVENUE

Utilities Department Exhibit No. 2 shows the effect of the proposed rates and charges on the Company's service revenues. The requested rates will produce \$8,938 (25.61%) in additional water revenue and \$285,814 (84.24%) in additional sewer revenue. Combined, the requested rates will produce \$294,752 (78.77%) in additional revenue.

<u>SOURCE OF REVENUE</u>	<u>PRESENT REVENUE</u>	<u>PROPOSED REVENUE</u>	<u>AMOUNT OF INCREASE</u>	<u>PERCENT OF INCREASE</u>
<u>WATER:</u>				
SERVICE REVENUE	\$ 34,212	\$ 43,150	\$ 8,938	26.13%
MISC. REVENUE	\$ 690	\$ 690	0	0
TOTAL	\$ 34,902	\$ 43,840	\$ 8,938	25.61%
<u>SEWER:</u>				
SERVICE REVENUE	\$ 326,071	\$ 611,885	\$285,814	87.65%
MISC. REVENUE	13,215	13,215	0	0
TOTAL	\$ 339,286	\$ 625,100	\$285,814	84.24%
<u>COMBINED</u>				
SERVICE REVENUE	\$ 360,283	\$ 655,035	\$294,752	81.81%
MISC. REVENUE	13,905	13,905	0	0
TOTAL	\$ 374,188	\$ 668,940	\$294,752	78.77%

UTILITIES DEPARTMENT EXHIBIT NO. 3
EFFECT OF PROPOSED RATES AND CHARGES ON CUSTOMERS MONTHLY BILL

SERVICE PROVIDED	AVERAGE CONSUMPTION	PRESENT BILL	PROPOSED BILL	AMOUNT OF INCREASE	PERCENT OF INCREASE
WATER (RES & COM)	7000 GALLONS	\$ 33.50	\$ 43.00	\$ 9.50	28.4%
SEWER (RES)	FLAT RATE	\$ 29.00	\$ 53.50	\$ 24.50	84.5%
COMBINED (RES)	WAT & SEW	\$ 62.50	\$ 96.50	\$ 34.00	54.4%
M. H. SEWER	FLAT RATE	\$ 29.00	\$ 40.00	\$ 11.00	37.9%
SEWER COLLECTION	FLAT RATE	\$ 15.00	\$ 27.50	\$ 12.50	83.3%
CHAMBERT FOREST MHP	FLAT RATE	\$ 21.75	\$ 40.00	\$ 18.25	83.9%
SEWER - (COM/SFE)	FLAT RATE	\$ 29.00	\$ 53.50	\$ 24.50	84.5%
SEW COLL (COM/SFE)	FLAT RATE	\$ 15.00	\$ 27.50	\$ 12.50	83.3%

WATER AND WASTEWATER DEPARTMENT EXHIBIT NO. 4
REVIEW OF SERVICE PROVIDED BY THE COMPANY

On December 12, 2001 personnel from the South Carolina Public Service Commission conducted an inspection of some of the water and sewer systems owned and operated by United Utility Companies, Inc. The Company provides service to approximately 88 water customers and approximately 1400 sewer customers in its service areas in South Carolina. The Company has customers in Cherokee, Anderson, Greenwood, Greenville, Union, and Spartanburg counties.

River Forest and Stonecreek subdivisions have tied on to the Spartanburg Sanitary Sewer District, and The Village Subdivision has tied on the Western Carolina Regional Sewer Authority. These customers will receive a collection fee from United Utility Companies, Inc. and a treatment fee from the regional sewer authorities.

During the night hearing held on November 27, 2001 at the North Spartanburg Fire Department some of the residents of River Forest and Stonecreek s/d's complained that the cleanout's for the sewer mains were sticking up too high and were unsightly. Staff conducted an inspection of the two s/d's and found that there was one that stuck up 10 inches, 3 stuck up 6 inches, and the rest were 4 inches or less.

The Commission Staff received 1 complaint concerning payment arrangements, 1 complaint concerning rates, and 2 billing complaints for a total of 4 complaints from the period January 1, 1999 through December 31, 2001.

After the Notice of Filing was received by the customers of United Utility Companies, Inc., Staff received numerous protestant letters and petitions against the amount of the proposed rate increase.

On January 25, 2002, Staff performed a Business Office Compliance Review.

The following pages contain a summary of the Business Office Compliance Review and Staff's inspection of the facilities owned and operated by United Utility Companies, Inc..

BUSINESS OFFICE COMPLIANCE REVIEW REPORT

UTILITY: United Utility Companies, Inc. INSPECTOR: W. Richardson

OFFICE: 110 Queen Parkway, West Columbia, SC DATE: January 25, 2002

COMPANY REPRESENTATIVE: Mrs. Dolly Lewis

IN COMPLIANCE YES OR NO*

- yes 1. Are all records and reports available for examination in accordance with Rule R.103-710 and R.103-510?
- yes 2. Are complaint records maintained in accordance with Rule R.103-716 and R.103-516?
- yes 3. Are the utility's rates, its rules and regulations and its up-to-date maps and plans available for public inspection in accordance with Rule R.103-730 and R.103-530?
- yes 4. Are procedures established to assure that every customer making a complaint is made aware that the utility is under the jurisdiction of the South Carolina Public Service Commission and that the customer has the right to register the complaint in accordance with Rule R.103-730 and R.103-530?
- yes 5. Are deposits charged within the limits established by Rule R.103-731 and R.103-531?
- yes 6. Are timely and accurate bills being rendered to customers in accordance with Rule R.103-733 and R.103-532?
- yes 7. Are bill forms in accordance with Rule R.103-732 and R.103-532?
- yes 8. Are adjustments of bills handled in accordance with Rule R.103-733 and R.103-533?
- yes 9. Is the policy for customer denial or discontinuance of service in accordance with Rule R.103-735 and R.103-535?
- yes 10. Are notices sent to customers prior to termination in accordance with Rule R.103-735 and R.103-535?
- yes 11. Are notices filed with the Commission of any violation of PSC or DHEC rules which effect service provided to its customers in accordance with rule R.103-714-C and R.103-514-C?

- yes 12. Does the utility have adequate means (Telephone, etc.) whereby each customer can contact the water and/or wastewater utility at all hours in cases of emergency or unscheduled interruptions or service in accordance with Rule R.103-730 and R.103-530?
- yes 13. Are records kept of any condition resulting in any interruption of service affecting its entire system or major division, including a statement of time, duration, and cause of such an interruption in accordance with Rule R.103-714 and R.103-514?
- yes 14. Has the utility advised the Commission, in accordance with Rule R.103-712 and R.103-512 of the name, title, address and telephone number of the person who should be contacted in connection with:
- (a) General management duties?
 - (b) Customer relations (complaints)?
 - (c) Engineering operations?
 - (d) Meter tests and repairs?
 - (e) Emergencies during non-office hours?
- yes 15. Has the Company verified the maps on file with the Commission include all the service area of the Company?
- 88 w
1400 s 16. Number of customers the Company has at present.
- yes 17. Does the Company have a current performance bond on file with the Commission? Amount of bond. \$50K-W & \$50K- S

*A "NO" RESPONSE REQUIRES A NOTE IN THE COMMENT SECTION

COMMENTS: _____

SEWERAGE

SYSTEM INSPECTION

UTILITY:	United Utility Companies, Inc.	NO. OF CUSTOMERS:	151
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SYSTEM: Canterbury DATE INSPECTED: 12-12-01

INSPECTED BY: William Richardson CO. REPRESENTATIVE:: Larry Chitwood

TYPE OF PLANT: MECHANICAL ☒ LAGOON ☐

EXTENT OF TREATMENT: PRIMARY ☒ SECONDARY TERTIARY

CHLORINATOR YES ☒ NO ☐

OTHER CHEMICALS IN USE YES ☒ NO ☐

AERATORS YES ✓ NO

PLANT FENCED & LOCKED	YES	✓	NO
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WARNING SIGNS VISIBLE YES ☒ NO ☐

HOLES IN FENCE	YES	NO	$\sqrt{}$
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EROSION OF DIKES	YES	NO	n/a
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ODOR	YES	NO	✓

GRASS CUT	YES	<input checked="" type="checkbox"/>	NO	<input type="checkbox"/>
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DUCK WEED OR ALGAE YES NO ✓

GREASE BUILD-UP	YES	NO	✓
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DEBRIS INSIDE PLANT	YES	NO	✓
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COLOR OF EFFLUENT Clear

LIFT STATIONS	YES	NO	✓	NUMBER
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FAILURE WARNING SYSTEM	YES	NO	n/a
1. Failure warning system			
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ELECTRIC WIRING (ACCEPTABLE)	YES	NO	n/a
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OVERFLOWS	YES	NO	n/a
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CONDITION OF ACCESS ROAD	GOOD	✓	BAD
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NEW CONSTRUCTION YES NO ☒

HOUSES	YES	NO	✓
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UTILITY	YES	NO	$\sqrt{}$
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FREQUENCY CHECKED BY OPERATOR Daily

LOCATION OF UTILITY OFFICE 110 Queen Parkway, West Columbia, SC

LOCATION OF SYSTEM Greenville County

IS SUBDIVISION PROVIDED WATER BY THIS UTILITY? YES NO ☒

BY WHOM? Greenville Water System

COMMENTS: _____

SEWERAGE

SYSTEM INSPECTION

UTILITY: United Utility Companies, Inc. NO. OF CUSTOMERS: 93

SYSTEM: Fairwoods DATE INSPECTED: 12-12-01

INSPECTED BY: William Richardson CO. REPRESENTATIVE:: R. Bryant

TYPE OF PLANT: MECHANICAL ☒ LAGOON ☐

EXTENT OF TREATMENT: PRIMARY SECONDARY ☒ TERTIARY

CHLORINATOR YES ✓ NO

OTHER CHEMICALS IN USE YES ✓ NO

AERATORS YES _____ NO ✓

PLANT FENCED & LOCKED YES ✓ NO

WARNING SIGNS VISIBLE YES ☒ NO ☐

HOLES IN FENCE	YES	NO	✓
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EROSION OF DIKES YES n/a NO

ODOR YES _____ NO ✓

GRASS CUT	YES	<input checked="" type="checkbox"/>	NO
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DUCK WEED OR ALGAE YES NO ☒

GREASE BUILD-UP	YES	NO	✓
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DEBRIS INSIDE PLANT	YES	NO	✓
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COLOR OF EFFLUENT Clear

LIFT STATIONS	YES	✓	NO	NUMBER	1
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FAILURE WARNING SYSTEM	YES	<input checked="" type="checkbox"/>	NO
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ELECTRIC WIRING (ACCEPTABLE)	YES	✓	NO
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OVERFLOWS YES _____ NO ✓

CONDITION OF ACCESS ROAD GOOD √ BAD

NEW CONSTRUCTION YES ☒ NO ☐

HOUSES	YES	✓	NO
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UTILITY YES _____ NO ☒

FREQUENCY CHECKED BY OPERATOR Daily

LOCATION OF UTILITY OFFICE 110 Queen Parkway, West Columbia, SC

LOCATION OF SYSTEM Union, SC

IS SUBDIVISION PROVIDED WATER BY THIS UTILITY?	YES	NO	✓
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BY WHOM? Meansville Riley Road District

COMMENTS: _____

SEWERAGE SYSTEM INSPECTION

UTILITY: United Utility Companies, Inc. NO. OF CUSTOMERS: 1

SYSTEM: North Greenville College DATE INSPECTED: 12-12-01

INSPECTED BY: William Richardson CO. REPRESENTATIVE: R. Bryant

TYPE OF PLANT: MECHANICAL ✓ LAGOON

EXTENT OF TREATMENT: PRIMARY SECONDARY ✓ TERTIARY

CHLORINATOR YES ✓ NO

OTHER CHEMICALS IN USE YES ✓ NO

AERATORS YES NO ✓

PLANT FENCED & LOCKED YES ✓ NO

WARNING SIGNS VISIBLE YES ✓ NO

HOLES IN FENCE YES NO ✓

EROSION OF DIKES YES NO ✓

ODOR YES NO ✓

GRASS CUT YES ✓ NO

DUCK WEED OR ALGAE YES NO ✓

GREASE BUILD-UP YES NO ✓

DEBRIS INSIDE PLANT YES NO ✓

COLOR OF EFFLUENT Clear

LIFT STATIONS YES ✓ NO NUMBER 2

FAILURE WARNING SYSTEM YES ✓ NO

ELECTRIC WIRING (ACCEPTABLE) YES ✓ NO

OVERFLOWS YES NO ✓

CONDITION OF ACCESS ROAD GOOD ✓ BAD

NEW CONSTRUCTION YES ✓ NO

HOUSES YES NO ✓

UTILITY YES ✓ NO

FREQUENCY CHECKED BY OPERATOR Daily

LOCATION OF UTILITY OFFICE 110 Queen Parkway, West Columbia, SC

LOCATION OF SYSTEM Greenville, SC

IS SUBDIVISION PROVIDED WATER BY THIS UTILITY? YES NO ✓

BY WHOM? Blue Ridge Water District

COMMENTS: New Plant

SEWERAGE SYSTEM INSPECTION

UTILITY: United Utility Companies, Inc. NO. OF CUSTOMERS: 48

SYSTEM: Trollingwood DATE INSPECTED: 12-12-01

INSPECTED BY: William Richardson CO. REPRESENTATIVE: R. Bryant

TYPE OF PLANT: MECHANICAL _____ LAGOON ✓

EXTENT OF TREATMENT: PRIMARY ✓ SECONDARY _____ TERTIARY _____

CHLORINATOR YES ✓ NO _____

OTHER CHEMICALS IN USE YES ✓ NO _____

AERATORS YES ✓ NO _____

PLANT FENCED & LOCKED YES ✓ NO _____

WARNING SIGNS VISIBLE YES ✓ NO _____

HOLES IN FENCE YES _____ NO ✓

EROSION OF DIKES YES _____ NO ✓

ODOR YES _____ NO ✓

GRASS CUT YES ✓ NO _____

DUCK WEED OR ALGAE YES _____ NO ✓

GREASE BUILD-UP YES _____ NO ✓

DEBRIS INSIDE PLANT YES _____ NO ✓

COLOR OF EFFLUENT _____ Clear

LIFT STATIONS YES ✓ NO _____ NUMBER 1

FAILURE WARNING SYSTEM YES ✓ NO _____

ELECTRIC WIRING (ACCEPTABLE) YES ✓ NO _____

OVERFLOWS YES _____ NO ✓

CONDITION OF ACCESS ROAD GOOD ✓ BAD _____

NEW CONSTRUCTION YES ✓ NO _____

HOUSES YES ✓ NO _____

UTILITY YES _____ NO ✓

FREQUENCY CHECKED BY OPERATOR Daily

LOCATION OF UTILITY OFFICE 110 Queen Parkway, West Columbia, SC

LOCATION OF SYSTEM Greenville, SC

IS SUBDIVISION PROVIDED WATER BY THIS UTILITY? YES ✓ NO _____

BY WHOM? _____

COMMENTS: _____

SEWERAGE SYSTEM INSPECTION

UTILITY: United Utility Companies, Inc. NO. OF CUSTOMERS: 125

SYSTEM: Valley Brook DATE INSPECTED: 12-12-01

INSPECTED BY: William Richardson CO. REPRESENTATIVE:: R. Bryant

TYPE OF PLANT: MECHANICAL ☒ LAGOON ☐

EXTENT OF TREATMENT: PRIMARY SECONDARY ☒ TERTIARY

CHLORINATOR YES ✓ NO

OTHER CHEMICALS IN USE YES ✓ NO

AERATORS YES ✓ NO

PLANT FENCED & LOCKED	YES	✓	NO
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WARNING SIGNS VISIBLE YES ☒ NO ☐

HOLES IN FENCE YES _____ NO ✓

EROSION OF DIKES YES NO ☒

ODOR YES _____ NO ✓

GRASS CUT YES ☒ NO ☐

DUCK WEED OR ALGAE YES ☒ NO ☐

GREASE BUILD-UP	YES	NO	✓
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DEBRIS INSIDE PLANT	YES	NO	✓
1. DEBRIS INSIDE PLANT			

COLOR OF EFFLUENT Clear

LIFT STATIONS	YES	NO	NUMBER
1		✓	
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FAILURE WARNING SYSTEM YES NO n/a

ELECTRIC WIRING (ACCEPTABLE)	YES	NO	n/a
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OVERFLOWS YES _____ NO n/a

CONDITION OF ACCESS ROAD GOOD √ BAD

NEW CONSTRUCTION YES ✓ NO

HOUSES	YES	✓	NO
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UTILITY	YES	NO	$\sqrt{}$
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FREQUENCY CHECKED BY OPERATOR Daily

LOCATION OF UTILITY OFFICE 110 Queen Parkway, West Columbia, SC

LOCATION OF SYSTEM Simpsonville, SC

IS SUBDIVISION PROVIDED WATER BY THIS UTILITY?	YES	NO	✓
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BY WHOM? Greenville Water System

COMMENTS:

WATER SYSTEM INSPECTION

UTILITY United Utility Companies, Inc. INSPECTED BY William Richardson
 SYSTEM Trollingwood DATE INSPECTED 12-12-01
 COMPANY REP R. Bryant

TOTAL NUMBER OF WELL SITES 2

NUMBER OF WELLS NOT IN OPERATION _____

REASON FOR INOPERABLE WELLS _____

PUMP HOUSES YES ✓ NO _____ NUMBER 2

ELECTRIC WIRING ACCEPTABLE ✓ FAULTY _____

EXPOSED PIPING YES _____ NO ✓

LOCATION _____

CHLORINATOR YES ✓ NO _____

OTHER CHEMICALS YES ✓ NO _____

IN USE YES _____ NO _____

STORAGE PRESSURE TANK ✓ NON-PRESSURE TANK _____

GROUND LEVEL ✓ OVERHEAD _____

SIZE IN GALLONS 4,000

P.S.I. AT TANK 52

METERS YES ✓ NO _____

FIRE HYDRANTS YES _____ NO ✓

AIR IN LINES YES _____ NO ✓

SAND IN WATER YES _____ NO ✓

CLARITY OF WATER Clear

ODOR No

LEAKS YES _____ NO ✓

LOCATION _____

NEW CONSTRUCTION YES ✓ NO _____

HOUSES YES ✓ NO _____

UTILITY YES _____ NO ✓

NATURE _____

FREQUENCY CHECKED BY OPERATOR Daily

APPROXIMATE NUMBER OF CUSTOMERS 43 CAPACITY OF SYSTEM 96

LOCATION OF UTILITY OFFICE 110 Queen Parkway, West Columbia, SC

LOCATION OF SYSTEM Greenville County

SYSTEM APPROVED BY COMMISSION YES ✓ NO _____ DATE July 16, 1990

IS SUBDIVISION PROVIDED SEWER BY THIS UTILITY? YES ✓ NO _____

BY WHOM? _____

OTHER COMMENTS _____

WATER SYSTEM INSPECTION

UTILITY United Utility Companies, Inc. INSPECTED BY William Richardson
 SYSTEM Kingswood DATE INSPECTED 12-12-01
 COMPANY REP R. Bryant

TOTAL NUMBER OF WELL SITES 1

NUMBER OF WELLS NOT IN OPERATION _____

REASON FOR INOPERABLE WELLS _____

PUMP HOUSES YES ✓ NO _____ NUMBER 1

ELECTRIC WIRING ACCEPTABLE ✓ FAULTY _____

EXPOSED PIPING YES _____ NO ✓

LOCATION _____

CHLORINATOR YES ✓ NO _____

OTHER CHEMICALS YES ✓ NO _____

IN USE YES _____ NO _____

STORAGE PRESSURE TANK ✓ NON-PRESSURE TANK _____

GROUND LEVEL ✓ OVERHEAD _____

SIZE IN GALLONS 3,000

P.S.I. AT TANK 64

METERS YES ✓ NO _____

FIRE HYDRANTS YES _____ NO ✓

AIR IN LINES YES _____ NO ✓

SAND IN WATER YES _____ NO ✓

CLARITY OF WATER Clear

ODOR No

LEAKS YES _____ NO ✓

LOCATION _____

NEW CONSTRUCTION YES ✓ NO _____

HOUSES YES 1 NO _____

UTILITY YES _____ NO ✓

NATURE _____

FREQUENCY CHECKED BY OPERATOR 5 times /week

APPROXIMATE NUMBER OF CUSTOMERS 25 CAPACITY OF SYSTEM 25

LOCATION OF UTILITY OFFICE 110 Queen Parkway, West Columbia, SC

LOCATION OF SYSTEM Greenville County

SYSTEM APPROVED BY COMMISSION YES ✓ NO _____ DATE July 16, 1990

IS SUBDIVISION PROVIDED SEWER BY THIS UTILITY? YES _____ NO ✓

BY WHOM? Septic Tanks

OTHER COMMENTS _____

WATER SYSTEM INSPECTION

UTILITY <u>United Utility Companies, Inc.</u>	INSPECTED BY <u>William Richardson</u>
SYSTEM <u>Woodmont Estates</u>	DATE INSPECTED <u>12-12-01</u>
	COMPANY REP <u>R. Bryant</u>

TOTAL NUMBER OF WELL SITES 1

NUMBER OF WELLS NOT IN OPERATION _____

REASON FOR INOPERABLE WELLS _____

PUMP HOUSES YES ✓ NO _____ NUMBER 1

ELECTRIC WIRING ACCEPTABLE ✓ FAULTY _____

EXPOSED PIPING YES _____ NO ✓

LOCATION _____

CHLORINATOR YES ✓ NO _____

OTHER CHEMICALS YES ✓ NO _____

IN USE YES _____ NO _____

STORAGE PRESSURE TANK ✓ NON-PRESSURE TANK _____

GROUND LEVEL ✓ OVERHEAD _____

SIZE IN GALLONS 3,000

P.S.I. AT TANK 52

METERS YES ✓ NO _____

FIRE HYDRANTS YES _____ NO ✓

AIR IN LINES YES _____ NO ✓

SAND IN WATER YES _____ NO ✓

CLARITY OF WATER Clear

ODOR None

LEAKS YES _____ NO ✓

LOCATION _____

NEW CONSTRUCTION YES _____ NO ✓

HOUSES YES _____ NO ✓

UTILITY YES _____ NO ✓

NATURE _____

FREQUENCY CHECKED BY OPERATOR Daily

APPROXIMATE NUMBER OF CUSTOMERS 20 CAPACITY OF SYSTEM 25

LOCATION OF UTILITY OFFICE 110 Queen Parkway, West Columbia, SC

LOCATION OF SYSTEM Greenville County

SYSTEM APPROVED BY COMMISSION YES ✓ NO _____ DATE July 16, 1990

IS SUBDIVISION PROVIDED SEWER BY THIS UTILITY? YES _____ NO ✓

BY WHOM? Septic tanks

OTHER COMMENTS _____